

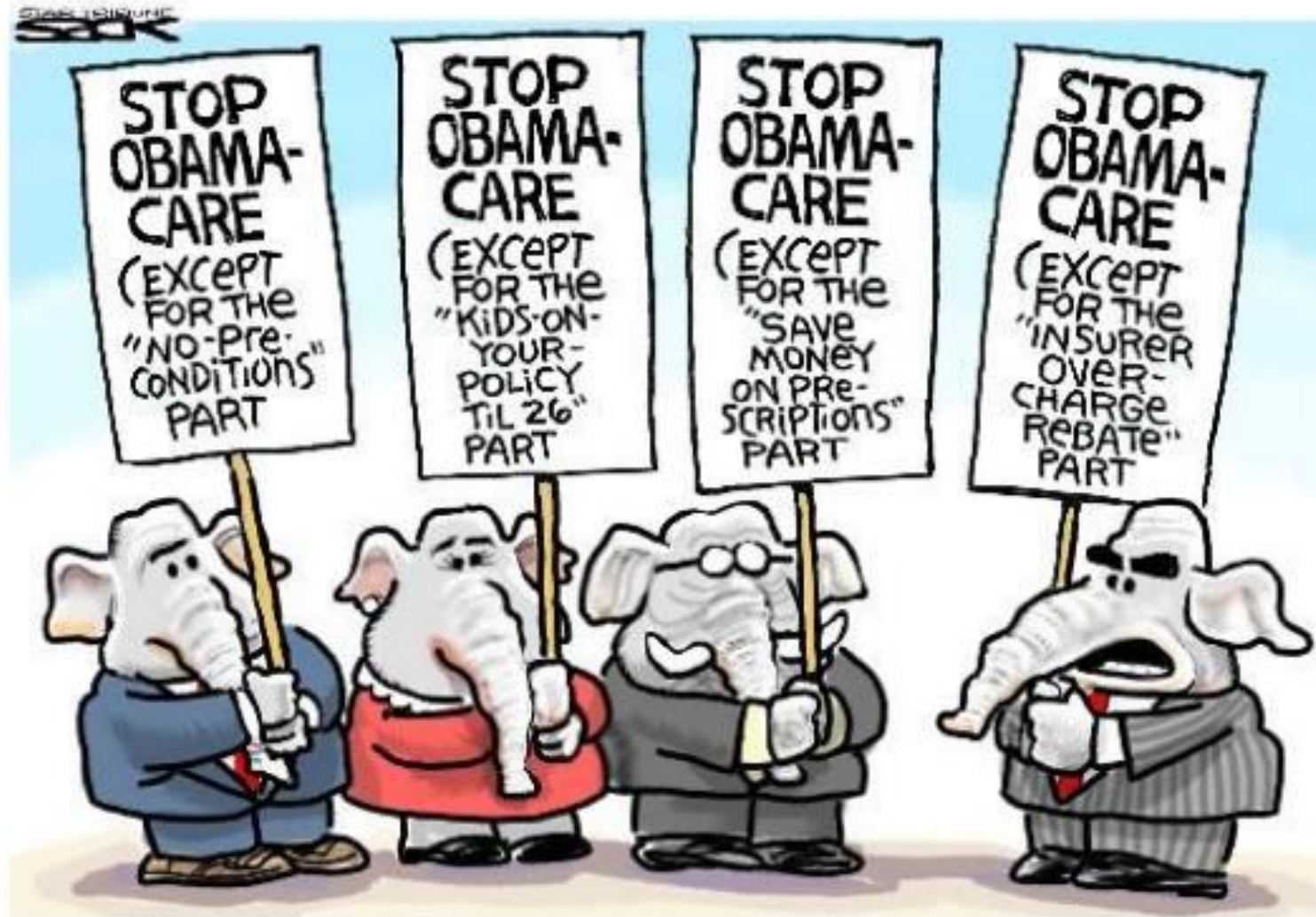


The Affordable Care Act Repeal and Replace

February 1, 2017

What we will cover

- The politics of Repeal and Replace
- What's at stake in California
- Medicaid block grants

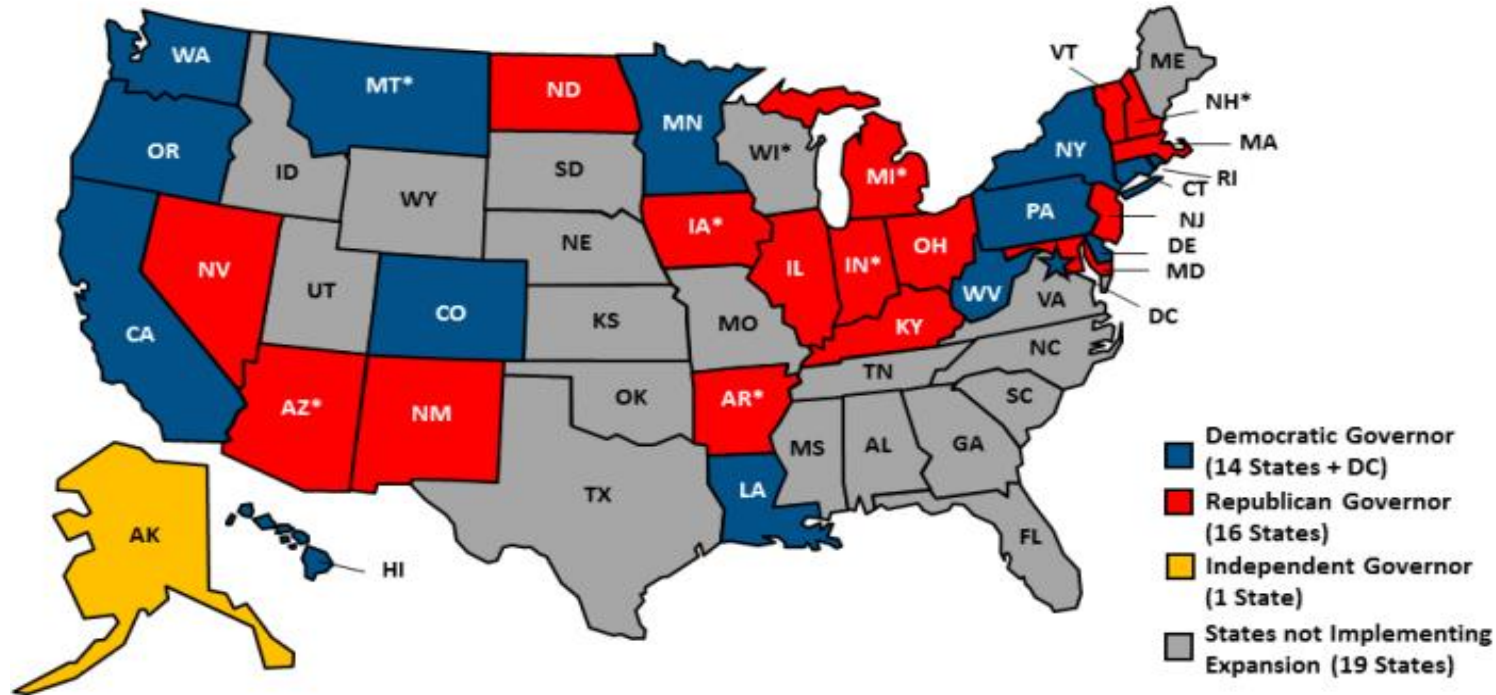


So we're AGREED—REPEAL AND REPLACE OBAMA CARE! (EXCEPT FOR THE "REPLACE" PART)...



Figure 1

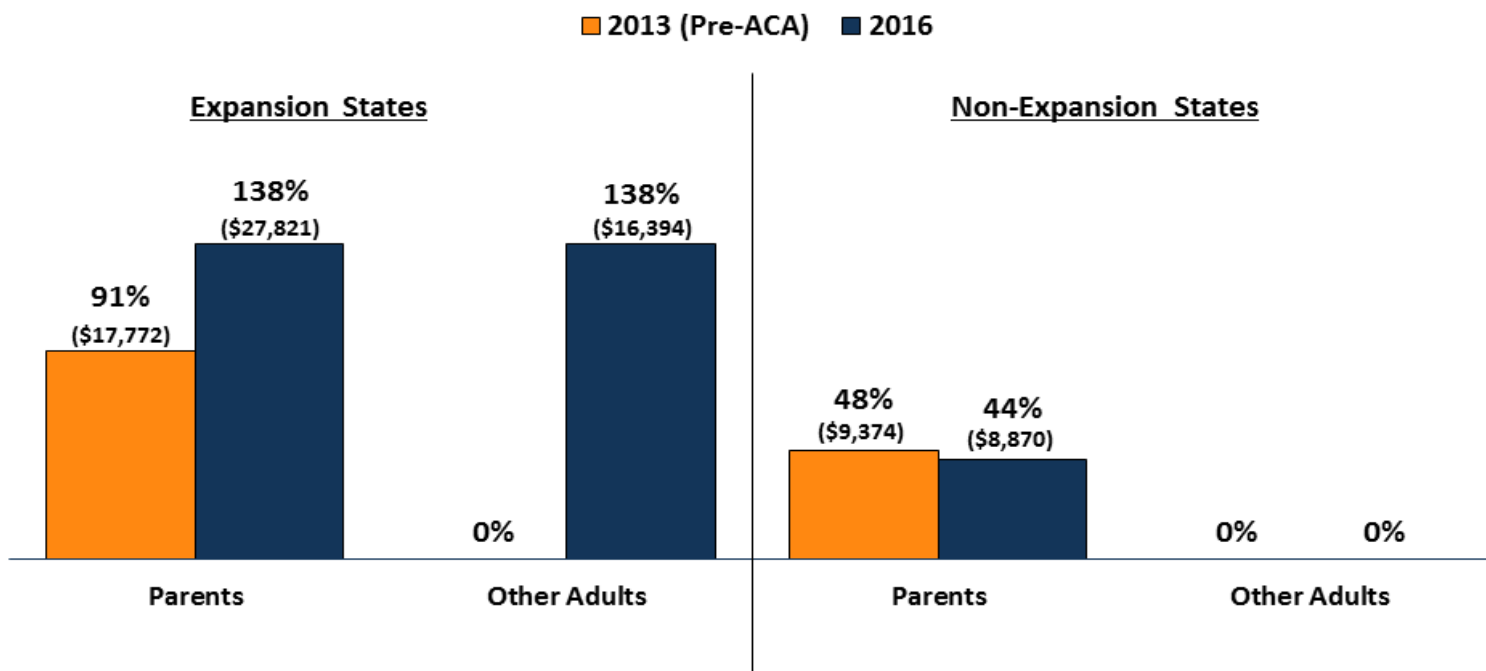
Expansion states are split between Republican and Democratic governors as of January 2017.



NOTES: Coverage under the Medicaid expansion became effective January 1, 2014 in all but seven expansion states: Michigan (4/1/2014), New Hampshire (8/15/2014), Pennsylvania (1/1/2015), Indiana (2/1/2015), Alaska (9/1/2015), Montana (1/1/2016), and Louisiana (7/1/2016). Seven states that will have Republican governors as of January 2017 originally implemented expansion under Democratic governors (AR, IL, KY, MA, MD, NH, VT), and one state has a Democratic governor but originally implemented expansion under a Republican governor (PA). *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 expansion waivers.

Figure 2

Medicaid eligibility increased for parents and other adults in expansion states under the ACA.



NOTE: Based on limits calculated as a percentage of federal poverty levels (FPL) for a family of three for parents and for an individual for other adults. In 2013, the FPL was \$19,530 for a family of 3 and \$11,490 for an individual. In 2016, the FPL was \$20,160 for a family of three and \$11,880 for an individual. 2013 levels take applicable earnings disregards into account. 2016 levels include a disregard equal to five percentage points of the FPL.

SOURCE: Based on national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, January 2013 and January 2016.





ESSENTIAL HEALTH BENEFITS

- ☒ Ambulatory patient services
- ☒ Emergency services
- ☒ Hospitalization
- ☒ Maternity & newborn care
- ☒ Mental health services
- ☒ Prescription drugs
- ☒ Rehabilitative services
- ☒ Laboratory services
- ☒ Preventative & wellness care
- ☒ Pediatric services

Table 1. Medi-Cal Mental Health Benefits Prior to and Starting in 2014

BENEFITS PRIOR TO 2014	BENEFITS STARTING IN 2014
County Mental Health Plan	County Mental Health Plan
Specialty Mental Health Services <ul style="list-style-type: none"> ➤ Inpatient/post-stabilization ➤ Rehabilitative ➤ Targeted case management 	Specialty Mental Health Services <ul style="list-style-type: none"> ➤ Inpatient/post-stabilization ➤ Rehabilitative ➤ Targeted case management
Fee-for-Service Mental Health Providers	Fee-for-Service Mental Health Providers and Managed Care Plans
Services Within Primary Care Provider's Scope of Practice	Services Within Primary Care Provider's Scope of Practice
Psychology Services <ul style="list-style-type: none"> ➤ Two-visit limit with treatment authorization request (TAR) required for additional visits. ➤ Covered when provided by psychologist or LCSW. ➤ Individual providers limited to treating children and perinatal women. Only FQHCs/Rural Health Clinics, hospital outpatient department, or organized outpatient clinics able to serve all Medi-Cal beneficiaries. 	Psychology Services (individual and group psychotherapy) <ul style="list-style-type: none"> ➤ No visit limitation, no TAR requirement. Services provided based on medical necessity. ➤ Covered when provided by a psychologist, clinical social worker, MFT, registered MFT intern, registered associate clinical social worker, or psychological assistance when under direct clinical supervision of a licensed mental health professional. ➤ Psychology services are covered in outpatient settings for all Medi-Cal beneficiaries. Psychological Testing Outpatient Services for the Purposes of Monitoring Drug Therapy Outpatient Laboratory, Drugs, Supplies, and Supplements (not including excluded medications) Psychiatric Consultation

California Impacts of ACA Repeal

- 3.7 million individuals have accessed Medi-Cal under the Expansion
- \$20 billion in federal funding for “100% ers” and other ACA Medicaid expansions in 2016-17
- 1.5 million enrollees in Covered California commercial managed care
- \$5 billion in federal funding in Covered California to reduce costs to enrollees
- Essential Health Benefits?
- No pre-existing conditions?

Comparison of Leading Repeal & Replace Proposals (2 of 2)

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	H.R. 3762 (FY16 Budget Reconciliation)	Empowering Patients First Act (Tom Price)	A Better Way (Paul Ryan)	Patient CARE Act (Burr, Upton, Hatch)	Heritage Foundation
High-Risk Pools	Not addressed	Federal funding for state-run high-risk pools (\$3B over 3 years)	Federal funding for state-run high-risk pools (\$25B over 10 years)	Targeted federal funding for state-run high-risk pools	Does not address
Medicaid Expansion	Eliminates Medicaid expansion and enhanced FMAP with a two-year delay	Eliminates Medicaid expansion and enhanced FMAP	Limits Medicaid expansion to current expansion states and phases down enhanced FMAP Permits reduced eligibility thresholds and enrollment freezes for expansion adults	Eliminates Medicaid expansion and enhanced FMAP	Eliminates Medicaid expansion and enhanced FMAP
Medicaid Financing	No changes	No changes	Per capita cap across four categories: aged, blind and disabled, children, and adults Permits states to opt out of per capita cap and receive a block grant Eliminates 23 percentage point bump in CHIP funding	Per capita cap for pregnant women, children and families Retains pre-ACA FMAP for acute care elderly and disabled Provides "defined budget" for LTSS for elderly and disabled who do not access eligible tax credits	Per capita cap across three categories: able-bodied, disabled, and elderly

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Two Approaches

- Block grants: Fixed pool of federal funding for the state
 - like Medicaid DSH, but for the whole Medi-Cal program
- Per capita cap: Fixed amount of federal funding per person
 - like Medicaid managed care PMPMs
 - Often per capita cap proposals set limits by group: children, adults, seniors, people with disabilities

Contact Info

Mary Adèr, Deputy Director, Legislative Affairs

mader@cbhda.org